GOVERNMENT OF INDIA
TOURISM
LOK SABHA

STARRED QUESTION NO:120
ANSWERED ON:02.03.2000
OCCUPANCY RATE IN HOTELS .
SUBODH MOHITE

Will the Minister of TOURISM be pleased to state:

(a) whether the I.T.D.C. hotels registered low occupancy rate for third year in succession;

(b) if so, the reasons therefor;

(c) whether the ITDC proposes to sell some of its hotels to private sector;

(d) if so, the details thereof; and

(e) response received from the private sector in this regard?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI ANANTHKUMAR)

(a) to (e): A Statement is laid on the Table of Sabha.

STATEMENT IN RESPECT OF LOK SABHA STARRED QUESTION NO.120 FOR 2.3.2000 REGARDING OCCUPANCY RATE HOTELS
(a)& (b) : Yes, Sir. The Annual occupancy of ITDC hotels has gonedown from 49% during 1996-97 to 37% in 1998-99. This is mainly due to:

(i) Decline in Business Tourist Traffic.

(ii) Devaluation of currency of Far-East countries making that destination cheaper.

(iii) Price under-cutting by private sector.
(c) to (e) : The main recommendations of the Disinvestment Commission are as under:

(i) Hotels situated in prime locations like Delhi and Bangalore may behanded over to established hotel chains through a competitive bidding process to be run on a long term structured contract on lease-cum-management basis.

(ii) Other hotels may be de-merged into separate corporate identities and the disinvestment in the new companies will be through sale of 100% Government shareholdings in them.
The Government has accepted the recommendations of the Commission.